



Presentation for NDEP Public Stakeholder Meeting  
November 12, 2015

## **Role of the PUCN in Plan Development - Integrated Resource Planning**

# *Nevada Legislature first approved Integrated Resource Planning in 1983.*

**Current statutory framework is provided by  
NRS 704.741, 704.746 and 704.751.**

- ❖ An integrated resource plan, or IRP, is a utility plan for meeting forecasted annual peak and energy demand, plus some established reserve margin, through a combination of supply-side and demand-side resources over a specified future period. Electric Utilities are required to submit an IRP once every 3 years, and can submit Amendments to the plan at any time.
- ❖ The IRP process is intended to avoid after-the-fact prudence review of planning decisions by engaging stakeholder groups in the review and debate of the IRP as part of the PUC's public hearing process. This thorough vetting assures that the least cost, best fit plan to meet future needs is enacted.
- ❖ If a Utility's plan is accepted by the Commission, the projects contained in the IRP's action plan are deemed prudent investment decisions and the costs, if prudently incurred, are recoverable in a subsequent general rate case.

# *Integrated Planning Process:*

- ❖ Begin with preparing a Load Forecast without benefit of proposed reductions for conservation programs (i.e. Demand-Side Plan).
- ❖ Prepare a Demand-Side Plan, a plan of utility-sponsored programs or measures designed to reduce peak demand and/or energy usage.
- ❖ Recalculate the Load Forecast reflecting reductions in peak demand and/or energy usage as a result of the Demand-Side Plan measures.
- ❖ Prepare alternative Supply-Side Plans to address any open position (unmet capacity and energy needs) reflected in the recalculated load forecast that includes:
  - A renewable expansion plan to meet the Renewable Portfolio Standard.
  - Conventional generation options.
  - Conventional and renewable power purchase options.
  - Consideration of any State legislative requirements such as S.B. 123 and A.B. 498.
  - Consideration of any Federal legislative requirements such as the EPAs Clean Power Plan (rule 111d).
  - A transmission plan.



## *Integrated Planning Process continued:*

- ❖ Determine the least-cost solution by comparing the Present Worth of Revenue Requirement of each Supply-Side Plan option.
- ❖ Perform an analysis of environmental and economic externalities using Present Worth of Societal Cost calculations for each Supply Side Plan option to help determine the best fit.
- ❖ Designate a Preferred Plan and at least one Alternative Plan.
- ❖ Culminates in an Action Plan that is based on an integrated analysis of the demand and supply side plans which specifies all actions that are to take place during the first 3 years covered by the resource plan.
- ❖ Each utility submits an IRP every 3 years, but usually the Plans are amended more frequently than 3 years as circumstances change.

If you have further  
questions, please  
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